

GLOSSARY OF TERMS

Accrual Basis of Accounting	A method of accounting that recognizes the financial effect of transactions, events and interfund activities when they occur, regardless of the timing of related cash flows.
Adopted Fiscal Plan	A plan of financial operations approved by the Board of Supervisors highlighting major changes made to the County Administrator's Advertised Fiscal Plan. The Adopted Fiscal Plan reflects approved tax rates and estimates of revenues, expenditures, transfers and departmental goals, objectives, and performance/workload indicators. This document is commonly referred to as the Adopted Budget.
Appropriation	A legal authorization granted by the Board of Supervisors to a specified organization, such as a unit of the County Government or an affiliated regional organization, to make expenditures and to incur obligations for specific purposes. An appropriation is limited in dollar amount and as to when it may be spent, usually expiring at the end of the fiscal year.
Appropriation Resolution	A legally binding document prepared by the Department of Management Services which delineates by fund and department all expenditure and revenue adopted by the Board of Supervisors which are reflected in the Adopted Fiscal Plan.
Assessed Valuation	The official valuation of property for purposes of property taxation. It covers real and personal property at 100% valuation.
Biennium	A period of two years; often used to describe the period of two consecutive years for which the budget provides funding.
Bond	A written promise to pay a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified rate. In the budget document, these payments are identified as debt service. Bonds may be used as an alternative to tax receipts to secure revenue for long-term capital improvements. County debt, to which the full faith and credit of the County is pledged, is approved by voter referendum. The State Constitution mandates taxes on real property sufficient to pay the principal and interest of such bonds. The majority of bonds issued for County and School construction projects are known as general obligation bonds.
BPOL	Business, Professional, and Occupational License (BPOL) refers to the license tax that is levied upon the privilege of doing business or engaging in a profession, trade, or occupation in the County.
Budget	A specific plan which identifies a plan of operations for the fiscal year, states the expenditures required to meet that plan of operations, and identifies the revenue necessary to finance the plan. The annual County budget is established by the Board of Supervisors' Appropriation Resolution.
Capital Asset Replacement Fund	A fund established to ensure a consistent means of financing and planning for County-wide major maintenance efforts. This fund provides monies for the replacement and rehabilitation of major components of the School and County physical plant including structural, mechanical, electrical, plumbing and site-related efforts.
Capital Facilities	Fixed assets, primarily buildings, acquired or constructed by the County.
Capital Improvement Program	The County's plan for future capital project expenditures. The six-year plan covers public facilities, resulting in the construction or acquisition of fixed assets, primarily buildings, but also including parks, land, landfills, etc.
Capital Outlay	Expenditures for items of a substantial nature (more than \$2,500) that are expected to have a useful life of more than one year. Examples include personal computers, vehicles, radios, tape recorder, etc.
Carryover Funds	Unexpended funds from the previous fiscal year which may be used to make payments in the current fiscal year. This is also referred to as the Beginning Fund Balance.

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Codified Ordinance	An ordinance related to a specific code, such as the Code of the Commonwealth of Virginia.
Comprehensive Services Act for At-Risk Youth (CSA)	This is a joint project of the Departments of Social Services, Mental Health, Youth and Family Services, Financial Services, Juvenile Courts, the School System, and community service providers and private citizens. The project goal is to maintain, strengthen and reunify at-risk youth and their families.
Constitutional Officers	Officers or agencies directed by elected officials (Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff, and Treasurer) whose positions are established by the Constitution of the Commonwealth of Virginia or its statutes.
County Zoning Map	The unincorporated areas of Loudoun County are divided into districts indicated on the Zoning Map. It is the final authority as to the current zoning status of land and water areas, buildings, and other structures in the County.
County Zoning Ordinance	This was adopted by the County in conformance with the provisions of Title 15.1, Chapter 11, Article 8, of the Code of the Commonwealth of Virginia. Its purpose is to promote the health, safety, and general welfare of the public. The zoning ordinance is a means of controlling land use. For example, zoning ordinances can help to prevent traffic congestion, protect historic areas, and control population density.
Debt Service Funds	Funds, defined by the State Auditor of Public Accounts, consisting of funds to finance and account for the payment of principal and interest on bonds.
Downsizing (Rightsizing)	This refers to the redirection of resources, including financial and labor resources, to try to achieve the maximum amount of efficiency in the organization's operations. The goal is to use available resources in the most efficient manner possible. This is also referred to as rightsizing.
Encumbrance	A reservation of funds for an anticipated expenditure prior to actual payment of an item. Funds usually are reserved or encumbered once a contract obligation has been signed, but prior to the actual disbursement of the cash payment.
Enhancement	A program enhancement is: (1) an expansion/improvement of an existing program; (2) a new program; (3) a proposal to fund from local dollars a program which has previously been supported by non-local sources of revenue; (4) an increase in revenue due to a new fee or an increase in fee rates. Sometimes an enhancement is adding staff or other resources to a program in order to continue the present level of service. Absence of an enhancement in the face of a growing population's service demands would sometimes lower the quality of the service.
Equalization	An annual assessment of real estate to ensure that assessments accurately reflect current market values. Equalization revenue is the annual increase or decrease in collected revenue resulting from adjustments to the assessment of existing property in the County. This annual increase or decrease is due to value changes rather than to new construction.
Expenditure	Decreases in net financial resources under the current financial resources measurement focus not properly classified as other financing uses.
Facilities Standards Manual	An adopted document which sets out specific regulations and design standards for such facilities as water/sewer service, roads and streets, soils review, etc.
Fiscal Impact Model	A model developed to help the County plan for future population growth in the County. The model projects 20 years into the future. The model determines the fiscal impact of this growth on the County Government, quantifying the need for services and projecting the related expenditures for providing these services.

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Fiscal Trend	The statistical section of the document that provides a broad range of trend data covering key financial indicators with historical data through current data. It also contains demographic and miscellaneous data useful in assessing a government's financial condition.
Fiscal Year	This is the period of time measurement used by the County for budgeting and accounting purposes. It is the twelve months beginning on July 1st and ending June 30th.
FTE	Full-time equivalent staff, considering all staff members, including full-time and part-time employees. One FTE works 1,950 hours per year.
Fund	A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities, or balances and changes therein. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.
Fund Balance	This refers to the amount of money or other resources remaining unspent or unencumbered in a fund at a specific point in time. This usually refers to the yearend balance.
Fund Type	A group of funds that have similar activities, objectives or funding sources as defined by the State Auditor of Public Accounts.
GASB	The Governmental Accounting Standards Board which is the ultimate authoritative accounting and financial reporting standards-setting body for state and local governments.
General Fund	The General Fund is the primary location of all financial activity associated with the ordinary operations of County Government. Most taxes are accrued into this fund and transfers are made out of it to the School, Debt Service, and Capital Projects funds as appropriate. This is the most important fund in the Loudoun County budget.
General Plan	This is an official public document, which is the product of citizens, the Planning Commission, the Board of Supervisors, County staff and consultants. The plan is a long-range guide for growth, land use and development decisions in the County. It outlines a framework for consistent future decision-making for the County.
GIS	The Geographic Information System (GIS) is a computer system used to assemble, store, manipulate, and display information about land in the County. The County's GIS is a multi-departmental resource integrated with several of the County's other computer systems. It is used in part to manage and analyze land information and produce maps in support of the assessment process, in the management of zoning and health information, in the planning process, for addressing County residences, and in landfill management.
Goals	A general statement of purpose. A goal provides a framework within which the program unit operates; it reflects realistic constraints upon the unit providing the service. A goal statement speaks generally toward end results rather than toward specific actions (e.g., "minimize unemployment among disadvantaged youth").
Grant	A contribution by one organization to another. The contribution is usually made to aid in the support of a specified function, such as health care, housing, crime prevention, etc.
Indicators	These are measures of how the department objectives are met.
Intergovernmental Revenue	Revenue from other governments, such as the State and Federal government, in the form of grants, entitlements, shared revenue, or payments in lieu of taxes.
Intergenerational Equity	This is one of the concepts that underlie the issuance of long-term debt for capital projects. If a facility has an expected useful life of 20-40 years, there is a rationale for linking the payment for the facility to the beneficiaries of the facility. In other words, future users of the facility will also pay their share of the construction cost of the facility through debt service payments.
Integrated Budget	A situation in which the accounting system has been designed to automatically provide timely budgetary information concerning the uncommitted balance of appropriations and unrealized revenues.

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Landfill Fee Waiver	The forgoing of the tipping fee charged for use of the County's landfill. Organizations which are granted this must meet the following criteria: (1) the organizations must apply for the exemption, (2) the organization must be a governmental or nonprofit entity with IRS 501 status, and (3) the organization must provide a service for the public good.
Lease Purchase	This method of financing allows the County to construct or acquire property and pay for it over a period of time by installment payments rather than an outright purchase. The time payments include an interest charge which is typically reduced because the lessor does not have to pay income tax on the interest revenue.
Local Gasoline Tax	This is a 2% tax on gasoline sold in the County. Local gasoline tax collections are directed to a special Loudoun account at the Northern Virginia Transportation Commission. This Commission, in conjunction with the Transportation Committee of Loudoun County, must approve all expenditures of local gas tax revenues related to Loudoun County.
Local Tax Funding	Represents funds that the Board of Supervisors may allocate from local tax funding to supplement revenues received by a program.
Long-Term Debt	Debt with a maturity of more than one year after the date of issuance.
Mission Statement	A written description stating the purpose of an organizational unit (department or agency) and its function (what the department or agency does).
Modified Accrual Basis of Accounting	Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.
Non-Revenue Receipt	Funds received, that are not of a recurring nature, on an annual basis. For example, funds received from the sale of a used County vehicle are non-revenue receipts.
Object Classification	A grouping of expenditures on the basis of goods or services purchased; for example: personal services, materials, supplies, equipment, etc.
Objective	A statement of purpose defined more specifically than a goal. Objectives describe specific measurable outputs within a designated timeframe (e.g., "increase the number of children qualifying as Level I swimmers by 20% during FY 04"). Program objectives are included with each program description in the document.
Overlapping Debt	The debt issuer's (County's) proportionate share of the debt of other local governmental units that overlap it, such that the issuer (the County) is located either wholly or partly within the geographic limits of the other units. The debt is generally apportioned based upon relative assessed value. For example, debt issued by a regional organization with which the County is affiliated would be overlapping debt of the County.
Overmatch	The amount of local tax funding over and above the amount required to leverage Federal and State grant revenue.
Parcel Mapping	The process of producing maps of land parcels in the County. These parcels serve as units for assessing taxes.
Pay-As-You-Go Basis	A term used to describe the financial policy of a governmental unit which finances all of its capital outlays from current revenue, rather than by borrowing.
Pay-For-Performance System	This refers to an assessment system that provides a process for appraising the quality of work performed by County employees and linking potential pay increases with work performance. It is designed to establish a link between performance assessment and employee performance of job duties and responsibilities.

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Personal Property	A category of property, other than real estate, so identified for purposes of taxation. It includes personally owned items, corporate property, and business equipment. Examples include automobiles, motorcycles, trailers, boats, airplanes, business furnishing and manufacturing equipment. Goods held for sale by manufacturers, wholesalers, or retailers (i.e., inventory) are <u>not</u> included.
Private Contributions/Donations	These donations are usually from private citizens. They are usually one-time, non-recurring donations of cash, but they can also be property.
Proffer	An offer of cash or property. This usually refers to property, cash or structural improvements, offered by contractors/developers to the County in land development projects. An example is a proffer of land from a developer to the County.
Program	This is a plan or unit under which action may be taken towards meeting an individual or set of goal(s) in the provision of a particular service. Examples of County Government programs include the Summer Camp Program, Senior Citizen Programs, Volunteer Services Program, and Family Services Program.
Proposed Fiscal Plan	A plan of financial operations submitted by the County Administrator to the Board of Supervisors. This plan reflects estimated revenues, expenditures, transfers, and departmental goals, objectives, and performance/workload indicators. In addition, sections are included to show major budgetary/financial policies and guidelines used in the County's fiscal management. The document is commonly referred to as the Proposed Budget.
Prorate Tax System	A system in which taxes are assessed proportionally during the year. Taxes are then said to be "prorated" throughout the year.
Public Service Property	Property specifically designated for public service use. This includes property purchased or received as a gift by a government. It includes real property such as land and buildings and other property, such as computers, copiers and cash registers.
Real Property	Real estate, including land and improvements (building, fencing, paving), classified for purposes of tax assessment.
Revenue	An increase in assets or financial resources. Revenue types are from Local Sources, from the Commonwealth of Virginia, from the Federal Government, and from Non-Revenue Receipts (other Financing Sources).
Revised Budget	The revised budget represents the original appropriation for the fiscal year plus any supplemental appropriations, inter-unit budget adjustments, or reappropriation of prior year encumbrances through December of the fiscal year as authorized by the Board.
Revolving Loan Fund	This is a fund established by the Board of Supervisors for County Government, School, and Fire and Rescue company capital projects. Loans from the fund must be repaid back into the fund.
Service Plan	A report on service delivery strategies and facility needs developed by County departments and agencies. Adopted by the Board of Supervisors, these plans serve as the planning and resource guidelines for service delivery.
Short-Term Debt	Debt with a maturity of less than one year after the date of issuance.
Special District	An independent unit of local government organized to perform a single governmental function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water and flood control districts, and transit authorities, port authorities, and electric power authorities. Loudoun County has three such districts, which are the Route 28 Taxing District, the Aldie Wastewater District, and the Hamilton Sewer District.

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Special Revenue Funds	A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.
Tax Base	The aggregate value of taxed items. The base of the County's real property tax is the market value of all real estate in the County. The base of the personal property is the market value of all automobiles, trailers, boats, business equipment, etc, which are taxed as personal property by the County. The tax base of a sales tax is the total volume of taxable sales.
Tax Rate	The level of taxation stated in terms of either a dollar amount (i.e., \$0.85 per \$100 assessed valuation) or a percentage of the value of the tax base (i.e., 4.5% sales tax).
Tax Increment Financing	This is a type of financing in which real estate taxes attributable to the increased value between the current assessed value of any parcel of real estate in a designated development project and the base assessed value of such real estate is allocated by the treasurer or director of finance and is paid into a special fund called the "Tax Increment Financing Fund," which is used to pay the principal and interest on obligations issued to finance the development project costs.
Tipping Fees	The cost for using the landfill: generally this is levied on tonnage of solid waste.
Transfer	A movement of funding from one fund to another. The largest such transaction is the annual transfer of funds from the General Fund to the School Operating Fund.
Trust Fund	This refers to property, such as money or securities, held in trust by the County, (i.e. placed in the care and keeping of the County), usually for specific expenditure types.
User Fees	These are charges for certain County services used by the public. Examples include fees for the use of swimming pools, summer camps, and animal adoption.
Underlying Debt	The debt issuer's (County's) proportionate share of the debt of other local governmental units that underlie it, such that the other units are located within the geographic limits of the issuer (the County). The debt is generally apportioned based upon relative assessed value. For example, debt issued by the Town of Leesburg would be underlying debt of the County.